



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 10, 2002

H.R. 3479 **National Aviation Capacity Expansion Act of 2002**

*As ordered reported by the House Committee on Transportation and Infrastructure
on June 26, 2002*

SUMMARY

On December 5, 2001, the mayor of Chicago and the governor of Illinois entered into an agreement to expand runway capacity at O'Hare International Airport. For projects included in this agreement, H.R. 3479 would allow the city of Chicago to apply for grants directly to the Federal Aviation Administration (FAA) without the approval of the state of Illinois, and the bill would prohibit the state from preventing the city's use of FAA grants. H.R. 3479 also would authorize the appropriation of \$84 million to FAA for research on noise mitigation and quiet aircraft technology.

Assuming appropriation of the authorized amounts for FAA research, CBO estimates that implementing H.R. 3479 would cost \$84 million over the 2004-2007 period. CBO estimates that the provisions related to O'Hare International Airport would have no significant impact on federal spending. H.R. 3479 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

H.R. 3479 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the costs for state, local, or tribal governments would not exceed the threshold established in that act (\$58 million in 2002, adjusted annually for inflation). The bill contains no new private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3479 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					
	2002	2003	2004	2005	2006	2007
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	0	0	37	47	0	0
Estimated Outlays	0	0	20	38	20	6

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 3479 will be enacted this year and that the authorized amounts will be appropriated for fiscal years 2004 and 2005. Estimated outlays are based on information from the Federal Aviation Administration and historical spending patterns of similar programs.

CBO estimates that the provisions related to O'Hare International Airport would have no significant impact on federal spending. The bill could affect which projects the FAA chooses to support, but based on information from the agency, CBO estimates that H.R. 3479 would have no net effect on total spending for such projects.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

The bill would preempt the state of Illinois' authority to regulate certain activities of the owner of O'Hare International Airport. Specifically, the bill would preempt the state's authority to control or regulate the city of Chicago as it applies for federal grant funds to pay for the airport expansion. In addition, the state would be prohibited from using the Clean Air Act to interfere with runway construction at O'Hare or development of another airport south of Chicago. These preemptions would be intergovernmental mandates as defined in UMRA.

In implementing the runway redesign plan at O'Hare, the city of Chicago would have to expand its current noise mitigation program for single-family homes and schools around the airport. Because the bill would increase the existing requirement, the noise mitigation provision would be an intergovernmental mandate as defined in UMRA.

Based on information from the FAA and the city of Chicago, CBO estimates that the preemptions of state authority and the requirements placed on the city would not impose significant costs. Thus, the costs of the bill's mandates would not exceed the threshold established by UMRA (\$58 million in 2002, adjusted annually for inflation).

ESTIMATED IMPACT ON THE PRIVATE SECTOR

The bill contains no new private-sector mandates as defined in UMRA.

PREVIOUS CBO ESTIMATE

On May 7, 2002, CBO transmitted a cost estimate for S. 2039, the National Aviation Capacity Expansion Act of 2002, as ordered reported by the Senate Committee on Commerce, Science, and Transportation on April 18, 2002. S. 2039 is very similar to H.R. 3479, but the Senate bill would not authorize the appropriation of funds for research on noise mitigation and quiet aircraft technology. For this reason, CBO estimated that implementing S. 2039 would have no significant impact on federal spending.

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